

COMMONWEALTH OF VIRGINIA
DIVISION OF PURCHASES AND SUPPLY
1111 E. BROAD STREET
P. O. BOX 1199
RICHMOND, VIRGINIA 23218-1199

NOTICE OF CONTRACT RENEWAL

1. DATE April 20, 2007
2. COMMODITY NAME Heating, Fuel Oil Services
3. CONTRACT NUMBER E194-207-08
4. CONTRACT PERIOD October 1, 2007 through September 30, 2008
5. SUPERSEDES 4051201-40
6. AUTHORIZED USERS State Agencies, Institution of Higher Educations, Public Bodies, Community Service Boards and other entities authorized by the Code of Virginia.
7. CONTRACTORS' FEIN NUMBER See Page 5
8. CONTRACTOR See Page 5
9. CONTRACTOR CONTACT/ PHONE NUMBER See Page 6
10. TERMS Net 30
11. DELIVERY See Page 4
12. MINIMUM ORDER NONE
13. FOR FURTHER CONTRACT INFORMATION CONTACT: robert.parolisi@dgs.virginia.gov
Phone (804) 786-0078 Fax (804) 786-5413
14. ADDITIONAL COPIES OF CONTRACTS AND ANY ASSOCIATED CONTRACT CHANGES MAY BE VIEWED AND PRINTED AT THE DPS WEBSITE: www.dgs.state.va.us/dps.
15. NOTICE TO ALL STATE AGENCIES: This contract is the result of a competitive bid program and its use is mandatory for all State Agencies (unless otherwise indicated in item 6 above) in the purchase of any commodity listed herein.
17. **Note:** This public body does not discriminate against faith-based organizations in accordance with the *Code of Virginia*, § 2.2-4343.1 or against a bidder or offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

By: Robert A. Parolisi
Statewide Services Contract Officer

1. Purchase orders will be submitted to the Contractor via the Commonwealth of Virginia's electronic procurement system, also known as eVA. The orders will be governed by this agreement and the terms and conditions contained in the separate agreement for participation in eVA executed by the contractor. If this contract is authorized for use by localities, Virginia cities, counties, town and political subdivisions may use this contract only if the orders are placed through eVA or approved for non eVA ordering when approved by Contract Officer.

Written Purchase Orders Required by the Contractor. **When required by the contractor,** state agencies and public bodies will supply written purchase order forms for orders under \$5,000.

Verbal/Facsimile Orders. When a written purchase order is not required by the contractor, state agencies have the authority to place verbal and/or facsimile orders for requirements valued at less than \$5,000.

Express Payment – It is desirable that the contractor accept payment through a Small Purchase Charge Card for payments not exceeding \$5000.00.

2. If this contract is authorized for use by localities (see line item 6, page 1), Virginia cities, counties, towns and political subdivisions may use their own form to order items listed in this contract.
3. The applicable contract number must be shown on each purchase order and copy, each facsimile transmission or given verbally when telephonic orders are placed.
4. Inspection on delivery and approval of vendor's invoice is the responsibility of receiving state agency, Virginia City, county, town or political subdivision.
5. Any complaint as to quality, faulty or delinquent delivery, or violation of contract provisions by contractor shall be reported to the Division of Purchases and Supply for handling with the contractor. Preprinted forms (DGS-41-024), by which to facilitate the notification of the contractor and this office of complaints, are available from the Division of Purchases and Supply (786-8873).
6. Renewals. Three (3), one year renewals remain. The decision as to whether to exercise the next renewal option will be made by the contract officer approximately four to six months in advance of the expiration date of the current term.
7. Price Adjustments. During the current term of the contract, price escalation may be allowed every 365 days, if justified. The contract officer makes the decision to allow or deny a request for increase based upon the documentation submitted by the contractor. The contractor is required to pass on any price reductions immediately. **IMPORTANT!** All price increases must be approved by the contract officer. Contract users will be sent a Notice of Contract Change from this office as official notification of such changes, if approved.

SPECIAL CONDITIONS

1. **RATE OF DELIVERY:** Delivery shall begin September 1, 2005 and continue as ordered throughout the contract period. Unless otherwise directed by the using agency/institution, the Contractor shall service all tanks on an automatic basis and re-supply such fuels when the tank level reaches approximately one-fourth (1/4) capacity.
2. **TRANSPORT DELIVERIES:** Contractor delivering to large tanks which can accommodate transport deliveries and do not require metering may be required by the using agency to deliver in trailers that have been sealed at the loading rack. Agencies may require inspection of these seals by their personnel prior to filling tanks.
3. **TANKWAGON DELIVERIES:** Pumping and metering (including metered delivery tickets) are required for all tank wagon deliveries.
4. **DELAY OR FAILURE TO DELIVER DUE TO "FORCE MAJURE":** The contractor will not be held liable for damages due to delay of shipment or failure to deliver caused directly by fire, flood, strike, Acts of God, Act of the Government, Act of an alien enemy, or by any other circumstances which, in the Division's opinion, is beyond the control or fault of the contractor.
5. **PRICING:** The pricing options (Agency choice) are as follows:
 1. **Fixed Price Option (initial year contract):**
 - a. Pricing on Tank Wagon deliveries will be NYMEX Fixed Contract, plus 1%eVA fee and \$.014 margin.
 - b. Pricing on Transport Loads will be NYMEX Fixed Contract, plus eVa fee, freight and \$.02 margin
 2. **Variable pricing:**
 - a. Pricing on tank wagon deliveries will be Opis, plus1% eVA fee and \$.014 margin.
 - b. Pricing on Transport Loads will be Opis, plus 1% eVa fee, freight and \$.02 margin
 3. **Cap and slide Pricing**
 - a. Pricing on Tank Wagon deliveries will be NYMEX Fixed contract, plus 1% eVA fee, freight, cap insurance and \$.014 margin.
 - b. Pricing on Transport Loads will be NYMEX fixed contract, plus 1% eVa fee, cap insurance and \$.02 margin. Note: If price falls, so will cost to end user. Price will not exceed price cap.

Note: Purchase Orders may be issued to order out oil as needed. Contract Number E194-207-1 and Purchase Order number must be shown on the Agency Purchase

Order Form.

There is a \$125.00 charge for emergency order.

There will be a small charge if a pump is required.

NOTE: Any delivery of 200/gal or less will incur a delivery charge of \$100.00, the tank wagon margin of \$0.14 /gal will apply.

SPECIAL NOTE/CLARIFICATION:

The intent of this Contract is to provide Heating Oil. The Contract requires the all Heating Oil conform to ASTM D396, no matter what the grade, or if it is Spec Waste Oil, or blends of Biodiesel. We do not intend to tell end users what to use, that decision will be made by the end users based on their requirements and DEQ permits.

The same situation exists with the sulfur content of the oil. Some end users use low sulfur while others burn oil with a higher percentage of sulfur. The goal of this Contract is to provide the necessary BTU's of heating Oil. The specification of the oil used is an end user decision

6. Conditions of Delivery

Unless other wise negotiated all normal deliveries must be made between 7:30 A.M. and 4:30 P.M.

- 1) Provide a system from the fueling process through the invoicing process that includes:
 - a. The name of the fuel supplier;
 - b. The date on which each fuel shipment is delivered;
 - c. The volume of each fuel delivered in the shipment;
 - d. A statement that the fuels received with the American Society for Testing and Materials specifications for fuel oil, and diesel.
 - e. The sulfur content of each shipment of fuel (if applicable to fuel type ordered).
- 2) Provide a means to identify each generator or tank which prevents the driver from being able to pump the wrong product into a truck or tank.
- 3) Provide pump accuracy meeting the standards of the Virginia Department of Weights and Measures.
- 4) Provide fueling history that is maintained by date and time for at the minimum for three years plus current year and seven years at the maximum.
- 5) Provide quarterly fuel reports to meet the DEQ Requirements.
- 6) Arrangements for emergency deliveries, including logistics and pricing, should be made

7. **CERTIFICATION:** The Contractor shall submit the following certification as to source and base price with each invoice submitted to the ordering agency for all grades of fuel oil deliveries. (Nos.1,2, 4, 5, and 6). The format of this certification shall be as follows:

CERTIFICATION OF PRODUCT DELIVERED

Deliver Date: _____

Source indicated on Bid: _____

Base Price from source on above date: _____

Base price includes any discounts offered on fuel oil bid: _____

Margin : _____

Freight (if applicable) _____

Total Price per Gallon: _____

% Sulfur _____%

I/We certify the above is correct. Signed: _____

(Note: A rubber stamp may be used to place the above format on your invoice.)

8. **PRICE VERIFICATIONS:** Upon request by the ordering entity, the Contractor shall supply a weekly statement to that entity that indicates the price of fuel of each day of that week. This statement is necessary to verify the prices for payment. Failure to adhere to this requirement may result in the cancellation of the contract.
9. **CONTACT:** Please contact your new fuel oil contractor as soon as possible and provide the following information:
- (1) The name, address, and telephone number of the person in your agency to contact for delivery information.
 - (2) The name, address, and telephone number of the individual in your agency who will be responsible for the initial approval and processing of the invoice payment and who should receive information concerning changes in base price.
10. **SPECIFICATIONS:** Fuel Oil supplied under this contract shall conform to ASTM D 396 as adjusted to industry standards in effect in this area for the grades of oil supplied. Fuel oil shall be free of grit, acid, water, and fibrous or other foreign materials or natural substances likely to clog or injure burners and valves. For clarifications purposes, the following requirements shall be met:

Fuel Oil #1 (Kerosene): for use in oil burning equipment and for heat generation.

Fuel Oil #2 Shall, be refinery run type which means a blend under heat and agitation to provide homogenous mixture and limit settling out of sediments.

All preheated fuel oils shall be reduced to volume for billing purposes in accordance with Table #7 "Reduction of Volume to 60 deg." as published by American Society for Testing Materials. No price adjustment for temperature will be allowed for #1 or #2 fuel oil.

NOTE: Fuel oil supplied under State contract shall conform to local air pollution ordinances.

11. Vendor Contact/Phone Numbers:

<u>FIN NO.</u>	<u>CONTRACTOR NAME</u>	<u>TELEPHONE</u> <u>FAX NO.</u>
320135618	JAMES RIVER Solutions P. O. BOX 7200 RICHMOND, VA 23221 MS. Tracy Little President Ext. 312 Mr. Bert Polk Project Manager Ext. 310	(804)358-9000 (804)359-6307
	<u>Ms. Debbie Hundley (Tank Wagon/Transport Load Orders)</u> <u>804)-358-9000, Ext. 313</u>	